

**DIVISION OF CHILDREN AND FAMILY SERVICES
ADMINISTRATIVE MEMO #13-2009**

To: Children and Family Services Specialists, Supervisors, and Administrators; Income Maintenance-Foster Care Workers and Supervisors; and Service Area Administrators

From: Edward H. Matney, Policy Section Administrator *Edward H. Matney*
Division of Children and Family Services

Approved by: Todd L. Reckling, Director *Todd L. Reckling*
Division of Children and Family Services
Department of Health and Human Services

Date: December 18, 2009

RE: Fostering Connections Act of 2008- Notice of Federal Adoption Tax Credit

Effective: Immediately
Duration: Until revised or Regulations are issued

Contact: Mary Dyer, Program Specialist, Children and Family Services, Policy Section at (402)471-9331 or at mary.dyer@nebraska.gov

Purpose: The purpose of this memo is to provide instructions for notification to certain persons regarding the existence and potential eligibility for the Federal Adoption Tax Credit, and to provide the required form.

Background: One of requirements of the Federal Fostering Connections to Success and Increasing Adoption Act of 2008 is notification to persons who are adopting or are known to be considering adopting a child in custody of DHHS of the existence of the Federal Adoption Tax Credit. (See Manual Bulletin # 390-00-12 for additional information regarding the Fostering Connections Act and requirements.)

Required Action: The Department will provide notification of the existence of the Federal Adoption Tax Credit to any person known to be considering adopting a child in custody of DHHS, or any person adopting a child in custody of DHHS, prior to finalization of the adoption. This notification must be provided using the Adoption Tax Credit Information for Adoptive Parents document, which is included as Page 2 of this memo. The DHHS staff person or representative providing the document must have the interested party or adoptive parent complete the information at the bottom of the document, give the interested party or adoptive parent a copy of the completed document, and place the original in the child's file. When a couple is adopting, It is necessary only to have one adoptive parent's signature on the document.

If the interested person or adoptive parent has questions about the Federal Adoption Tax Credit, the DHHS staff or representative must explain that DHHS cannot provide tax

assistance or advice and refer the inquiring person to the resources listed in the document.

Adoption Tax Credit Information for Adoptive Parents

If you are adopting a child, you may qualify for a Federal Adoption Tax Credit in the year in which you finalize your adoption. If the child is being adopted from the foster care system and has been determined to qualify for adoption assistance (also known as subsidized adoption), based on the fact that the child has special needs, there may be additional federal tax benefits.

The following resources might be useful for you in obtaining information on the Tax Credit:

- Visit the Internal Revenue web site at www.irs.gov, or call the Internal Revenue Service at 1-800-829-1040;
- Visit the web site for the "North American Council on Adoptable Children" at www.nacac.org/postadopt/taxcredit.html; or
- Consult with your tax consultant.

A copy of this notice was given to me, _____,
(Printed Name)
on _____, by _____.
(Date) (Name of DHHS Representative)

(Signature of person receiving the Notice)